Godrej Sara Lee Ltd v Siah Teong Teck & Anor (Part 2)

HIGH COURT (KUALA LUMPUR) — ORIGINATING MOTION NO D5–25–2 OF THE 2007
RAMLY ALI J
29 AUGUST 2007

Trade Marks — Registration — Rectification of register of trade marks — Applicant's application for registration was objected to due to an earlier registration — Application for removal — Period of non-use — Whether applicant an aggrieved party — Whether discretion of court to remove — Trade Marks Act 1976 s 46

The applicant's business included mosquito repellent mats and coils, insecticides, pesticides and insect repellents. Among the trade marks of the applicant was the trade mark 'GOODKNIGHT'. To protect this mark in Malaysia, the applicant filed for registration the said trade mark in relation to the said goods. The application was objected to by the registrar of trade marks on the basis of an earlier trade mark 98/00228 (the disputed trade mark). An investigations carried out by the applicant revealed that the disputed trade mark was not used for a continuous period of three years up to one month before the application to remove the said trade mark was filed in court. This fact had not been denied or disputed by the respondent. In fact the only issue raised by the respondent was that the trade mark was not used during the material period owing to a possible conflict of interest. The applicant's application for removal is premised on the provisions of s 46 of the Trade Marks Act 1976 ('the Act'). The respondent had firstly alleged that there had been use of the disputed trade mark in relation to Liquid Vaporiser in 1996. In support of this, they had relied on the evidence of an application made by a certain Sri Dapat Sdn Bhd to the Pesticides Board for approval. There was further a supporting document by Sumitomo Chemical Company Ltd for the purposes of this approval. The respondent also suggested that the power to remove a trade mark under s 45 is entirely discretionary as a result of the words 'it thinks fit' in s 45(1)(a) of the Act.

Held:

(1) On the facts of this case, it was obvious that the trade mark of the applicant had been objected to on the basis of the disputed trade mark. The disputed trade mark thus stands in the way of the applicant's registration and if not for the disputed trade mark, the applicant's trade mark would proceed to registration. This under the established principles and case law clearly made the applicant an aggrieved party. The applicant thus had the necessary locus standi to bring this action and sought for the removal of the respondent's trade mark from the register of trade marks (see para 16).

(2) It was important to note that the period of use of the mark must be between the 5 January 2004 to 5 January 2007. If the provisions of s 46 of the Act were to be considered, the use must be in relation to the goods claimed in the registration. Merely seeking approval and obtaining it did not translate to actual use of the mark in the course of trade. A party might or might not follow up with use of the mark after approval had been secured. For actual use to arise, there must be use of the mark on or in relation to goods. This would include affixing the mark to the goods or in an advertisement, circular or a catalogue. This was not demonstrated on the evidence submitted. Any alleged or purported use in 1996 did not necessarily translate to use during the material period of time (see paras 22, 25 & 27); *The Trina Trade Mark* (1977) RPC 131 referred.

(3) Section 46(4) of the Act provided an excuse for the non-use. However to come within this provision, the respondent would have to show that his non-use was as a result of special circumstances in the trade. Some UK decisions had interpreted a pari materia provision under section 26 of the UK Trade Marks Act 1938 (see *BULOVA Trade Mark* (1967) RPC 29; *Aktiebolaget manus v. Fullwood & Blkand Ltd* (1949) 66 RPC 71). Two conditions had to be satisfied: (i) the special circumstances must be peculiar or abnormal and must be external in nature: and (ii) the non-use must be as a result of those circumstances. Entering into an agreement to contract manufacture for Shell and Reckitt could hardly be said to be peculiar or abnormal in business. This could be contrasted with the case of BULOVA where the failure to use the mark was as a result of a quota imposed by a government order which was not in the control of the proprietor. As for the second limb, the evidence suggested that the non-use could not be due to the reason of conflict of interest as it was clear that Sri Dapat Sdn Bhd produced various other brands of mosquito coils during the material time. The question that had to be posed to the respondent and Sri Dapat Sdn Bhd would be how were these produced despite the issue of conflict (see paras 29–30, 33–35).

(4) It was pertinent to note that while the phrase 'it thinks fit' was found in s 45(1)(a), it was not similarly found in s 46 which was the basis of the applicant's motion in this case. Section 46 on the other hand was more straightforward. If on the facts, it was shown that the trade mark which was the subject matter of the action had not been used during the relevant period of time the trade mark ought to be removed. Any other finding would result in the s 46(1)(b) being rendered redundant (see para 42).

[Bahasa Malaysia summary

Perniagaan pemohon termasuk lapik penghapus nyamuk, lingkaran, pembasmi serangga dan penghapus serangga. Di antara cap dagangan pemohon adalah cap dagangan 'GOODKNIGHT'. Untuk melindungi cap ini di Malaysia, pemohon telah memfailkan untuk pendaftaran cap dagangan tersebut berhubung dengan barangan tersebut. Permohonan tersebut dibantah oleh pendaftar cap dagangan atas dasar terdapat satu cap dagangan sebelum ini 98/00228 (cap dagangan yang dipertikaikan). Satu penyiasatan dijalankan oleh pemohon yang mendedahkan

bahawa cap dagangan yang dipertikaikan tidak digunakan untuk tiga tahun yang berlanjutan sehingga satu bulan sebelum permohonan untuk membatalkan cap dagangan tersebut difailkan di mahkamah. Fakta ini tidak dinafikan atau dipertikaikan oleh responden. Sebenarnya isu yang dibangkitkan oleh responden ialah bahawa cap dagangan tersebut tidak digunakan pada tempoh yang material tersebut disebabkan oleh konflik kepentingan yang mungkin terjadi. Permohonan pemohon untuk membatalkan adalah berdasarkan peruntukkan s 46 Akta Cap Dagangan 1976 ('Akta tersebut'). Responden telah pertamanya mengatakan bahawa terdapat penggunaan cap dagangan yang dipertikaikan itu berhubung dengan 'Liquid Vaporiser' pada 1996. Dalam menyokong ini, mereka telah bergantung kepada bukti satu permohonan oleh satu Sri Dapat Sdn Bhd kepada Lembaga Pembasmi Serangga untuk kelulusan. Terdapat juga dokumen sokongan oleh Syarikat Sumitomo Chemical Bhd bagi tujuan kelulusan tersebut. Responden juga berhujah bahawa kuasa untuk membatalkan sesuatu cap dagangan di bawah seksyen 45 adalah mengikut budi bicara mahkamah disebabkan perkataan-perkataan 'it thinks fit' di s 45(1)(a) Akta tersebut.

Diputuskan:

(1) Atas fakta-fakta kes ini, ia adalah jelas bahawa cap dagangan pemohon telah dibantah atas dasar cap dagangan yang dipertikaikan. Cap dagangan yang dipertikaikan dengan itu menghalang pendaftaran pemohon dan sekiranya tidak sebabkan cap dagangan yang dipertikaikan tersebut, cap dagangan pemohon akan diteruskan dengan pendaftaran. Di bawah prinsip yang mantap dan kes undang-undang dengan jelas perkara ini menjadikan pemohon seorang pihak yang terkilan. Pemohon dengan itu mempunyai locus standi yang dikehendaki untuk membawa tindakan ini dan memohon untuk membatalkan cap dagangan responden daripada daftar cap dagangan (lihat perenggan 16).

(2) Ia adalah penting untuk memerhatikan bahawa tempoh penggunaan cap tersebut mesti di antara 5 Januari 2004 sehingga 5 Januari 2007. Sekiranya peruntukkan-peruntukkan s 46 Akta tersebut dipertimbangkan, penggunaan tersebut mesti berhubung dengan barangan yang dituntut di pendaftaran tersebut. Hanya setakat memohon kelulusan dan mendapatkannya tidak bererti penggunaan sebenar cap tersebut dalam perjalanan dagangan berkenaan. Satu pihak mungkin atau mungkin tidak menyusul dengan penggunaan cap selepas kelulusan diperolehi. Untuk membangkitkan penggunaan sebenar, mesti terdapat penggunaan cap tersebut atas atau berhubung dengan barangan tersebut. Ini termasuk melekat cap tersebut kepada barangan ataupun diiklankan, melalui pekeliling atau di katalog. Berdasarkan bukti yang dilampirkan, ini tidak dilakukan. Segala penggunaan di 1996 yang dikatakan itu tidak bererti ia digunakan pada tempoh yang material (lihat perenggan 22, 25 & 27); *Trina Trade Mark* (1977) RPC 131 diikut.

(3) Seksyen 46(4) Akta tersebut memperuntukkan alasan untuk tiada penggunaan. Akan tetapi untuk layak menggunakan peruntukkan ini, responden perlu menunjukkan bahawa tiada penggunaan adalah disebabkan oleh keadaan khas dagangan tersebut. Beberapa keputusan UK telah mentafsirkan satu

peruntukkan yang pari materia di bawah s 26 Akta Cap Dagangan 1938 UK (lihat *BULOVA Trade Mark* (1967) RPC 29; *Aktiebolaget manus v Fullwood & Blkand Ltd* (1949) 66 RPC 71). Dua syarat-syarat perlu dipenuhi: (i) keadaan khas perlu khusus dan luar biasa dan bersifat luaran; dan (ii) ketidakpenggunaan mesti timbul hasil daripada keadaan tersebut. Memasuki satu perjanjian kontrak pengeluaran untuk Shell dan Reckitt tidak boleh dikatakan khusus ataupun luar biasa di sesuatu perniagaan. Ini dapat dibezakan dengan kes BULOVA di mana kegagalan menggunakan cap tersebut adalah disebabkan had yang dikenakan oleh satu perintah kerajaan yang berada dil uar kawalan pemilik. Berhubung dengan cabang kedua, bukti tersebut mencadangkan ketidakpenggunaan tidak boleh disebabkan oleh konflik kepentingan oleh kerana ia adalah jelas bahawa Sri Dapat Sdn Bhd mengeluarkan beberapa lingkaran nyamuk untuk jenama-jenama yang lain pada masa yang material. Soal yang patut responden dan Sri Dapat Sdn Bhd jawab ialah bagaimana barangan tersebut dapat dikeluarkan sekiranya terdapat isu konflik (lihat perenggan 29–30, 33–35).

(4) Ia adalah penting untuk memerhatikan bahawa walaupun frasa 'it thinks fit' dapat ditemui di s 45(1)(a), ia tidak dijumpai dalam s 46 yang menjadi dasar permohonan usul kes ini. Manakala s 46 adalah lebih jelas. Sekiranya berdasarkan fakta, ia dapat ditunjukkan bahawa cap dagangan yang menjadi perkara pokok tindakan tersebut telah tidak digunakan pada tempoh yang relevan maka cap dagangan tersebut harus dibatalkan. Penemuan yang berlainan akan menjadikan s 46(1)(b) tidak berfungsi (lihat perenggan 42).]

Notes

For a case s on rectification of register of trade marks, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) para 2180.

Cases referred to

Aktiebolaget manus v Fullwood & Blkand Ltd (1949) 66 RPC 71

BULOVA Trade Mark (1967) RPC 29

Coram Industria De Diseno Textil v Edition Concept Sdn Bhd (2005)

Fazaruddin bin Ibrahim v Parkson Corp Sdn Bhd [1997] 4 MLJ 360

J Lyons & Coy, Ld's Application for Rectification of the Register in respect of Trade Mark No 418,577 (1958) RPC 466

Service Master (M) Sdn Bhd v MHL Service Master Sdn Bhd & Anor [1998] 5 MLJ 378

Trina Mark, The (1977) RPC 131

Legislation referred to

Trade Marks Act 1976 ss 45, 46

Trade Marks Act 1938 [UK] s 26

S Indrani (Shearn Delamore & Co) for the applicant.

LG Sha (Sha Lai Gwen & Associates) for the first respondent.

C Valasini (Rahamatthunnisa with her) (YH Teh & Qwek) for the second respondent.

Ramly Ali J:

INTRODUCTION

[1] The motion dated 5 February 2007 before the court is filed by the applicant for among others the following reliefs:

(i) an order that the Trade Mark Registration No 98/00228 be expunged and removed from the Register of Trade Marks, placeplaceMalaysia;

(ii) in the event prayer (i) is granted, an order directing the Registrar of Trade Marks, Malaysia to rectify the Malaysian Register of Trade Marks by removing therefrom the whole entry relating to Trade Mark Registration No 98/00228 and cause such fact of rectification and removal to be published in the Government Gazette forthwith after the order is served on him;

(iii) costs incidental to this application be paid by the first respondent; and

(iv) such further and other reliefs as this court deems fit.

[2] The grounds in support of the motion can briefly be summarised as follows:

(a) that up to one month before the date of this application a continuous period of not less than three years had elapsed during which Trade Mark No 98/00228 for 'GOODKNIGHT' in Class 5 was a registered trade mark and during which there was no use in good faith of Trade Mark Registration No 98/00228 in relation to mosquito coils, insecticide and mosquito repellent by the first respondent or his registered user (if any); and

(b) that the applicant is an aggrieved person as the first respondent's Trade Mark Registration No 98/00228 has been cited against the applicant's Trade Mark Application No 2001/09615 in Class 5.

FACTUAL BACKGROUND

[3] The facts of the matter are set out in the two affidavits filed by the applicant and the affidavits filed by the first respondent. In summary, the facts can be set down in the following manner. The applicant is in the business of manufacturing, distributing, supplying, selling and offering for supply various consumer goods. This would include mosquito repellent mats and coils, insecticides, pesticides and insect repellents.

[4] Among the trade marks of the applicant is the trade mark 'GOODKNIGHT'. To protect this mark in Malaysia, the applicant filed for registration the said trade mark in relation to the said goods. The trade mark application is evidenced in exh BSV-1 in the affidavit of Virkar.

[5] This trade mark application by the applicant was objected to by the Registrar of Trade Marks on the basis of trade mark 98/00228 (the disputed trade mark). The objection letter by the Registrar of Trade Marks, Malaysia is set out in exh BSV-2 of the affidavit of Virkar.

[6] As this trade mark was certainly an obstacle to the registration of the trade mark of the applicant, investigations were carried out by the applicant which revealed that the disputed trade mark was not used for a continuous period of three years up to one month before the application to remove the said trade mark was filed in court.

[7] This fact has not been denied or disputed by the first respondent in his affidavits in reply. In fact the only issue raised by the first respondent is that the trade mark was not used during the material period owing to a possible conflict of interest.

[8] The Registrar of Trade Marks Malaysia was initially joined as a party (as the second respondent) to give full effect to the orders sought by the applicant. The applicant took the position that since the prayers sought for bound the Registrar of Trade Marks, the Registrar should be named as party. However as a result of an application filed on behalf of the Registrar of Trade Marks, the second respondent, the court had on 9 July 2007 ordered that the second respondent be removed as party to the suit. The court however commented that the striking out of the second respondent would not affect the merits of this case on the interest of the applicant. The court further held that the second respondent would comply with any order directed to him in the event that the court were to hold in favour of the applicant.

APPLICABLE LAW

[9] The applicant's application for removal is premised on the provisions of s 46 of the Trade Marks Act 1976 ('the Act'). A useful starting point would thus be an examination of this s 46 which provides as follows:

> (1) Subject to this section and section 57, the court … may, on application by a person aggrieved, order a trade mark to be removed from the Register in respect of any goods (or services) in respect of which it is registered on the ground:
>
> (a) that the trade mark was registered without an intention in good faith, on the part of the applicant for registration or, if it was registered under subsection (1) of section 26, on the part of the body corporate or registered user concerned to use the trade mark in relation to those goods (or services) and that there has in fact been no use in good faith of the trade mark in relation to those goods (or services) by the registered proprietor or registered user of the trade mark for the time being up to the date one (1) month before the date of the application; or
>
> (b) that up to one (1) month before the date of the application a continuous period of not less than three (3) years has elapsed during which the trade mark was a registered trade mark and during which there was no use in good faith of the trade mark in relation to those goods (or services) by the registered proprietor or the registered user of the trade mark for the time being.

[10] An examination of the facts led in the affidavits of Virkar and Kuah affirmed on behalf of the applicant would show that the applicant is relying on limb (b) of s 46(1) of the Act. On the outset, it is clear that the usage of the word 'or' in the section would mean that only one of the limbs need to be satisfied.

[11] Thus to make out its case under the Motion, the applicant would have to prove and establish the following: **A**

(i) that it is an aggrieved party; and

(ii) there has been non-use by the first respondent for a continuous period of three years up to one month before the application to remove the trade mark was filed. **B**

IS THE APPLICANT AN 'AGGRIEVED PARTY'?

[12] Section 46(1) of the Act has been inserted into the Act to prevent applications being made by any person, limiting it to those who have a genuine interest in the matter. In other words, the applicant by virtue of this section has to show locus standi in the matter by showing an interest in the mark. This could be addressed and clarified with reference to the cases on point. **C**

[13] In *Fazaruddin bin Ibrahim v Parkson Corp Sdn Bhd* [1997] 4 MLJ 360, Abdul Malik Ishak J opined that the phrase 'person aggrieved' should be construed liberally. His Lordship went on to state that this would include: **D**

> any person whose own application for registration is obstructed by the opposing party in the suit …

E

[14] In *Service Master (M) Sdn. Bhd. v MHL Service Master Sdn. Bhd. & Anor* (1998) 5 MLJ 378, Kamalanathan Ratnam JC (as his Lordship then was) stated that 'an aggrieved person' would be all persons who are in some way or other substantially interested in having the mark removed. This would include all persons who would be substantially damaged if the mark remained. **F**

[15] In *The Trina Mark* (1977) RPC 131, the court in UK held that by reason of the fact that the applicant's trade mark was blocked by the disputed trade mark made the applicant on aggrieved party.

G

[16] On the facts of this case, it is obvious from the affidavit of Virkar that the trade mark of the applicant has been objected to on the basis of the disputed trade mark. This is found in para 10 and exh BSV-2 of the affidavit of Virkar. The disputed trade mark thus stands in the way of the applicant's registration and if not for the disputed trade mark, the applicant's trade mark would proceed to registration. This under the established principles and case law clearly makes the applicant an aggrieved party. The applicant thus has the necessary locus standi to bring this action and seeks for the removal of the first respondent's trade mark from the register maintained under the Trade Marks Act 1976. **H**

NON-USE FOR A CONTINUOUS PERIOD OF THREE YEARS **I**

[17] Here the period for time of three years would be the period of time up to one month preceding the application to remove or expunge the trade mark. As the application was filed on 5 February 2007, the relevant three years period of non-use

A that has to be shown, would be between 5 January 2004 to 5 January 2007. To conclude and decide if this has been made out on the facts, the evidence in the form of the affidavits filed have to be considered. First, there are the affidavits of Virkar and Kuah on behalf of the applicant which clearly point towards showing and establishing the non-use of the trade mark by the first respondent during the material
B period of time. This is set out in paragraph s 18 to 21 and exhibit BSV-5 of affidavit of Virkar and paragraphs 7 to 10 and exhibit SK-1 of the affidavit of Kuah.

[18] The first respondent in reply has not challenged this position in any significant way nor has any rebuttal been made on the facts presented by the
C applicant in their affidavits. It is trite law that an assertion of fact raised. In an affidavit, which has not been traversed, shall be deemed admitted. As a matter of fact in para 15 of the first affidavit of the first respondent, there is admission that there has been no use of the disputed trade mark in relation to mosquito coils during the material period of time be between 5 January 2004 to 5 January 2007.

D

[19] Case law has suggested that all the applicant for rectifications have to proves at the outset is prima facie case of non-use. Once this is done, the burden falls upon the registered proprietor being the first respondent (in the present case) to show evidence of use during the material period of time (*Trina Trade Mark* (1977) RPC
E 131).

[20] In the present case, a prima facie case has been made out. Independent investigations have been carried out by the applicant. This is evidenced by the affidavit of Virkar and particularly the affidavit of Kuah which clearly show the
F non-use of the mark by the first respondent. Paragraphs 7 to 10 and exh SK-1 of the affidavit of Kuah clearly sets out and particularises the evidence of non-use on the part of the first respondent of the disputed trade mark. In fact the investigation report as set out in the affidavits of Virkar and Kuah covered investigations on the first respondent as well and admissions by the first respondent that there has been no use of the trade mark in relation to the goods covered by the registration.

G

[21] It is thus clear that a prima facie case has been established. It is thus up to the first respondent to refute this position. The question is whether the first respondent has in fact done this. For an answer to this, the affidavits in reply filed by the first respondent have to be considered.

H

[22] The question to be answered is whether the first respondent has shown use of the mark in the course of trade in relation to the goods covered by the registration during the relevant period of time required under s 46 of the Trade Marks Act 1976. If the affidavits of the first respondent are to be examined, there is no such evidence.
I It is important to note that the period of use of the mark must be between the period of 5 January 2004 to 5 January 2007. A few factual points have nevertheless been raised by the first respondent which are set out below. These points do not provide an excuse or a defence and does not deflect the prima facie case of non-use. As a matter of fact, the factual issues raised in the affidavits of the first respondent in actual fact confirms the position that there is non-use of the disputed trade mark during the

relevant period. In any case and for ease of reference, the court shall consider the assertions raised by the first respondent, which are set out in the following paragraphs.

[23] The first respondent has firstly alleged that there has been use of the disputed trade mark in relation to Liquid Vaporiser in 1996. In support of this, he has relied on the evidence of an application made by a certain Sri Dapat Sdn Bhd to the Pesticides Board for approval. There is further a supporting document by Sumitomo Chemical Company Ltd for the purposes of this approval.

[24] The court is of the view that this does not constitute use in the context of the current dispute and there are three reasons for this, which would be explored in greater detail below.

[25] Firstly, if the provisions of s 46 are to be considered, for us to be constituted and taken into account, the use must be in relation to the goods claimed in the registration. Merely seeking approval and obtaining it does not translate to actual use of the mark in the course of trade. A party may or may not follow up with use of the mark after approval has been secured. For actual use to arise, there must be use of the mark on or in relation to goods. This would include affixing the mark to the goods or in an advertisement, circular or a catalogue. This is not demonstrated on the evidence submitted. In the case of *J Lyons & Coy, Ld's Application for Rectification of the Register in respect of Trade Mark No 418,577* (1958) RPC 466, the court made a clear distinction between the actual use of the mark and a mere intention to use the mark. In the latter instance, there was no recognised use of the mark. In this case, there is no evidence of actual use of the mark.

[26] Secondly, even if the application for registration with the Pesticides Board was followed by use (which is denied and clearly not shown), this would be use by Sri Dapat Sdn Bhd and not the first respondent. If s 46 is examined, the use during the material period has to be by the registered proprietor (being the first respondent) or a registered user. Clearly Sri Dapat Sdn Bhd is not registered proprietor. There is further no evidence in the affidavits filed by the first respondent to suggest that any registered users have been entered in relation to the disputed trade mark registration. Thus even if we were to accept that Sri Dapat Sdn Bhd had used the mark in the course of trade (which is disputed and clearly not shown), such use is not recognised as use within the context of s 46 of the Trade Marks Act 1976.

[27] Thirdly, even if we accept that the Sri Dapat Sdn Bhd used the mark, and were a registered user of the mark (both of which are not shown on this facts), there is no evidence tendered to show use of the mark during the material period being between 5 January 12004 to 5 January 2007. Any alleged or purported use in 1996 does not necessarily translate to use during the material period of time. A similar reasoning was applied in the case of *Trina Trade Mark* (1977) RPC 131 where the court held that use outside the relevant period cannot be considered to deflect to assertion of non-use.

[28] The second factual point raised in the Affidavit of the first respondent relates to an admission of non-use of the disputed trade mark registration in relation to mosquito coils during the material period. The first respondent has however suggested that the reason for this non-use is that if he had used the trade mark in issue, it would have resulted in a conflict of interest with Shell (Malaysia) Bhd and then Reckitt Colman Ltd and later Reckitt Benkiser (Malaysia) Sdn Bhd. An examination of this response would suggest that the first respondents are seeking to rely on the provisions of s 46(4) of the Trade Marks Act 1976 which reads as follows:

> An applicant is not entitled to rely for the purposes of paragraph (b) of subsection (1) or for the purposes of subsection (3) (or 3A) on any failure to use a trade mark if failure is shown to have been due to special circumstances in the trade and not to an intention not to use of to abandon the trade mark in relation to the goods to which the application relates.

[29] This provision provides an excuse for the non-use. However to come within this provision, the respondent would have to show that his non-use was as a result of special circumstances in the trade. On the facts alleged by the first respondent, he seems to be relying on the agreements between Sri Dapat Sdn Bhd and Shell. Reckitt Colman and Reckitt Benkiser respectively. Firstly, the agreement with Reckitt Colman, Reckitt Benkiser and Shell have not been tendered to show how a conflict of interest would arise. Secondly, any alleged or purported agreement is between Sri Dapat Sdn Bhd and these parties. The first respondent is not party to these agreements. Thirdly, as the evidence in the affidavit of Kuah would show, Sri Dapat Sdn Bhd did manufacture and sell other brands of mosquito coils. This can be seen in the investigation report annexed as SK-1 in the affidavit of Kuah. If conflict of interest is alleged as claimed by the first respondent, surely, the sale of other brands of mosquito coils not produced by Shell and Reckitt Colman should also not be produced. Why should the production of mosquito coils bearing the disputed trade mark be treated any differently when compared to the other brands manufactured and marketed by Sri Dapat Sdn Bhd.

[30] Having said that, even if we were to accept that Sri Dapat Sdn Bhd acted for the first respondent and even if we accept that the production of mosquito coils would result in a conflict of interest the court is of the view that this does not constitute special circumstances that would excuse the use of the disputed trade mark by the first respondent.

[31] There are no Malaysian decisions on this point, but there are some UK decisions which have interpreted a pari materia provision under s 26 of the UK Trade Marks Act 1938 which could shed light on this issue.

[32] In the decision in *BULOVA Trade Mark* (1967) RPC 29, Ungoed Thomas J held relying on the decision of Evershed LJ in the case of *Aktiebolaget manus v Fullwood & Blkand Ltd* (1949) 66 RPC 71 as follows:

> It seems to me that both what Evershed LJ refers to as 'the ordinary and common sense meaning of the words' of the section and his own observations lay down that, if 'peculiar or abnormal', 'external' circumstances exist due to which there is non-use, then the

requirement of the section is satisfied. Thus it is enough that there are special circumstances in the sense circumstances making any ordinary usage of international trade impracticable, if that is the reason for the trader's non-use of a mark.

[33] Two conditions thus have to be satisfied which are as follows:

(i) the special circumstances must be peculiar or abnormal and must be external in nature: and

(ii) the non-use must be as a result of those circumstances.

[34] Turning to the first criteria, the court finds that the circumstances relied upon by the first respondent are neither peculiar nor abnormal. Entering into an agreement to contract manufacture for Shell and Reckitt can hardly be said to be peculiar or abnormal in business. More importantly this was not an external factor as the decision to contract manufacture for Shell and Reckitt was a commercial decision taken by Sri Dapat Sdn Bhd independently. This can hardly be said to be an external event. This can be contrasted with the case of BULOVA where the failure to use the mark was as a result of a quota imposed by a Government Order which was not in the control of the proprietor.

[35] Moving on to the second limb, even if we accept that the agreement with Shell and Reckitt amount to special circumstances (which it clearly is not), the evidence as submitted suggests that the non-use cannot be due to the reason of conflict of interest furnished by the first respondent. It is clear from the Affidavit of Kuah that Sri Dapat Sdn Bhd produced various other brands of mosquito coils during the material time. The question that has to be posed to the first respondent and Sri Dapat Sdn Bhd would be how were these produced despite the issue of conflict.

[36] It is thus clear from the facts and evidence that the non-use was a purely commercial choice and not due to any peculiar or abnormal external event. It would clearly be unjust for the first respondent to rely on such actions to justify their non-use. In any case, as stated above, Sri Dapat Sdn. Bhd. is a separate legal personality and this the reason furnished as to their (Sri Dapat's) non-use should not necessarily apply to the first respondent.

[37] Then the first respondent filed another affidavit, which was affirmed on 13 July 2007. In the said Affidavit, the first respondent raised the point that his trade mark had been used by Sri Dapat Sdn. Bhd. in relation to Mosquito Coils. In support of this contention the first respondent submitted evidence of their packaging for their product as well as an application to the Pesticides Board. This is evidenced in exhibits STT-5 and STT-6 on the said affidavit.

[38] The court finds that this in any case does not assist the first respondent in addressing the contentions raised by the applicant in the motion. Firstly, any alleged use and application for registration has been made by Sri Dapat Sdn Bhd. We have seen from the provisions under s 46 of the Trade Marks Act 1976, that for this use to be recognised to defeat the removal action, the use must be by the registered proprietor or his registered user. Here the alleged use is by Sri Dapat Sdn Bhd and

not the first respondent. There is further no evidence to suggest that Sri Dapat Sdn Bhd was the registered user of the trade mark in issue. Therefore, any alleged use by Sri Dapat Sdn Bhd cannot be taken into consideration.

[39] Secondly and more importantly, even if we were to accept the first respondent's evidence that there has been use of the mark by Sri Dapat Sdn Bhd, the question is whether the use was during the material period ie between 5 January 2004 to 5 January 2007. Unfortunately for the first respondent, his own affidavit suggests otherwise. The purported application to the Pesticides Board was made on 10 May 2007, which was clearly after the material period. It is also observed from the letter from Sri Dapat Sdn. Bhd. in exhibit STT-6 that the application was a new application for registration. We can thus accept that given the fact that a new application for registration was only made on 10 May 2007, there could not have been use of the trade mark in relation to mosquito coils before that date. There certainly would not have been use of the trade mark during the material period between 5 January 2004 to 5 January 2007. In *Trina Trade Mark* (1977) RPC 131 the court held that use outside the relevant period cannot be considered to deflect the assertion of non-use.

[40] Finally, we have seen that the application for registration does not necessarily imply that the trade mark has been used in the course of trade. The first respondent has failed to tender evidence to show that the goods bearing the trade mark were actually in the market. Therefore, any assertion of alleged use can be discounted.

[41] For these reasons, the alleged use relied upon in the second affidavit of the first respondent is not material and should not be considered for the purposes of this application by the applicant. It is clear that despite these attempts on the part of the first respondent, he has not shown that the has used the trade mark during the material period. In fact if the investigation report as set out in the affidavits of Kuah and Virkar are considered, there are admissions by the first respondent that there has been no use of the disputed trade mark in relation to the goods of interest during the material period of time. This point has not been disputed or challenged in the subsequent affidavits filed by the first respondents.

THE FIRST RESPONDENT'S SUBMISSION ON COURT'S DISCRETION

[42] The first respondent relied on the earlier decision of this court in the case of *Coram Industria De Diseno Textil v Edition Concept Sdn Bhd* (2005)to suggest that the power to remove a trade mark under s 45 is entirely discretionary. In coming to this decision, the court relied on the use of the words 'it thinks fit' in s 45(1)(a) of the Act to incorporate this discretion. It is pertinent to note that while the phrase 'it thinks fit' is found in s 45(1)(a), it is not similarly found in s 46 which is the basis of the applicant's motion in this case. Section 46 on the other hand is more straight forward. If on the facts, it is shown that the trade mark which is the subject matter of the action has not been used during the relevant period of time the trade mark ought to be removed. Any other finding would result in the s 46(1)(b) being rendered redundant.

[43] Having said that, the court is of the view that even if discretion is to be exercised in the case of an application under s 46, that discretion would have to be exercised judiciously. In this case, it is beyond doubt that the first respondent has not used the disputed trade mark during the relevant period of time between 5 January 2004 and 5 January 2007. This is not denied by the first respondent and neither has the first respondent shown any evidence of use of the mark during this relevant period of time. In fact, the first respondent just to defeat this motion tried to commence use of the said trade mark after this motion was filed by the applicant to remove the said trade mark from the register. This use is not during the relevant period of time. The timing of the use by the first respondent is also questionable. The issue is whether the first respondent would have actually used the mark if not for this action by the applicant. The first respondent has clearly slept on their rights during the material period of time and to blame the applicant now would be unfair and unkind.

[44] This is a classic case for the application of s 46(1)(b) of the Trade Marks Act 1976. It the court does not remove the trade mark in this case, it would render the provisions of s 46(1)(b) redundant.

[45] It is also important to observe that this court in the *Coram Industria De Desino Textile v Edition Concept Sdn Bhd* did consider the application of s 46(1)(b) of the Trade Marks Act 1976. In that case the court made the following findings in deciding on the applicability of s 46(1)(b):

(i) the period of non-use must be during the relevant period of which is up to one (1) month immediately preceding the application to remove; and

(ii) the trade mark must be a registered trade mark during this period in that the trade mark has been actually entered upon the Register.

[46] Based on (i) above, the relevant period of time on the facts of this case is between 5 January 2004 and 5 January 2007. This has been presented clearly in the affidavits filed by the applicant. The first respondent has not presented any evidence to show use of the trade mark in the course of trade during this period.

[47] Moving on to item (ii) above, the facts show with reference to para 13 and BSV-4 of the affidavit of Virkar that the certificate of registration was issued on 2 January 2002. Therefore, the trade mark was a registered trade mark during the relevant period of time between 5 January 2004 and 5 January 2007.

[48] Thus on the facts and if the decision of the court in *Coram Industria De Diseno Textile v Edition Concept Sdn* is relied upon, the applicant has clearly made out a case under s 46(1)(b) of the Trade Marks Act 1976.

CONCLUSION

[49] In conclusion, it is abundantly clear that the applicant has on the evidence shown that it is an aggrieved party and that there has been non-use of the disputed trade mark registration for a continuous period of three years up to one month

preceding the application to remove the disputed trade mark. This evidence, which was supported by independent investigations, has not been rebutted or challenged by the first respondent. In fact there are admissions in the Affidavits of the first respondent on this issue of non-use during the material period.

[50] The facts clearly demonstrate ample reasons for the court to remove the disputed trade mark registration under the provisions of s 46 of the Trade Marks Act 1976. Therefore, the court grants order in the terms set out in the notice of originating motion filed herein, with costs.

Order accordingly.

Reported by Sally Kee